

August 2, 2005

Re: DT 05-042, Verizon Communications, Inc.
Verizon Communications, Inc. and MCI, Inc.
Agreement and Plan of Merger

To the Parties:

On March 7, 2005, Verizon Communications, Inc. (Verizon) and MCI, Inc. (MCI) jointly filed with the New Hampshire Public Utilities Commission a notice of Verizon's pending acquisition of MCI. Appended to the notice was a copy of the parties' Agreement and Plan of Merger dated February 14, 2005. On April 7, 2005, and again on May 5, 2005, the parties submitted written notification of certain amendments to their merger agreement.

On May 25, 2005, the Commission issued an Order of Notice establishing a procedural schedule and requesting from the Companies, as required by RSA 369:8, a detailed written representation of the effect of the merger transaction. On June 3, 2005, the Companies submitted the requested detailed written representation. On March 30, 2005, the Office of Consumer Advocate (OCA) notified the Commission of its intent to participate in the proceeding and, on June 10, 2005, submitted initial comments. On June 10, 2005, Conversent petitioned to intervene and submitted initial comments. A hearing was held on June 17, 2005, at which the Commission requested briefs, by July 1, 2005, regarding the application of RSA 369:8 (II)(b). On June 29, 2005, the Save Our Homes Organization filed a petition for late intervention and a proposed brief. The New Hampshire Internet Service Provider Association submitted a motion to intervene and comments on July 21, 2005.

The Commission has determined that Verizon and MCI have, in accordance with the requirements of RSA 369:8 (II)(b), filed on June 3, 2005, a detailed written representation that the merger will not have an adverse effect on the rates, terms, service or operation of the jurisdictional Verizon and MCI subsidiary utilities within New Hampshire. The Commission has concluded that the legislature, through RSA 369:8 (II)(b), created an expedited review process for parent level transactions which, although it does not require that the Commission accept the petitioners' representations solely at face value, nevertheless, does require that the Commission accord considerable weight to their representations. While various parties have cited adverse effects that might occur, or seek to establish a *per se* rule of harm, the Commission has found no basis to conclude that such adverse effects will, in fact, occur. In the absence of a clear basis to conclude

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that adverse effects will occur, the transaction must be allowed to proceed. Accordingly, the transaction, insofar as it concerns New Hampshire, is considered approved effective August 2, 2005, by operation of law. The Commission intends to issue, at a later date, an opinion memorializing its legal analysis of RSA 369:8 (II)(b).

Very truly yours,

Debra A. Howland
Executive Director and Secretary

cc: Docket File